



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

OCT 12 2017

James Barton II, Esq.
Torres Law Group
2239 West Baseline Road
Tempe, AZ 85283

RE: MUR 7041
United Association of Journeymen and
Apprentices of the Plumbing and
Pipefitting Industry of the United States
and Canada Local 469, *et al.*

Dear Mr. Barton:

On September 27, 2017, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of your clients, the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada Local 469 ("Local 469"), and the United Association of Plumbers and Pipefitters Local 469 Federal Political Action Committee and Aaron Butler in his official capacity as treasurer ("Local 469 Fed. PAC") f/k/a Arizona Pipe Trades Local 469 PAC and Phillip McNally in his official capacity as treasurer. The conciliation agreement settles violations of 52 U.S.C. § 30118(b)(3)(A) and (C) and 11 C.F.R. § 114.5(a)(1)-(2) and (4)-(5), provisions of the Federal Election Campaign Act of 1971, as amended, and Chapters 95 and 96 of Title 26, *U.S. Code*.

On the same date, the Commission also dismissed the allegation that your remaining client, Israel G. Torres, in his individual capacity, knowingly and willfully violated 52 U.S.C. § 30118(b)(3)(C) and 11 C.F.R. § 114.5(a)(2) and (4)-(5) through his participation in Local 469's and Local 469 Fed. PAC's unlawful solicitations.

Accordingly, the Commission has closed the file in this matter. Documents related to this case will be placed on the public record within 30 days. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Information derived in connection with any conciliation attempt will not become public without the written consent of the Respondents and the Commission. *See* 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that your clients shall have no more than 30 days from the date this conciliation agreement becomes effective to comply with and implement the requirements contained in this agreement.

James Barton II, Esq.
MUR 7041
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If you have any questions, please contact Shanna Reulbach, the staff attorney assigned to this matter, at (202) 694-1638.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Lee".

Jin Lee

Acting Assistant General Counsel

Enclosure
Conciliation Agreement

1704443-1-10

BEFORE THE FEDERAL ELECTION COMMISSION

2017 MAY -4 AM 8:04

In the Matter of)
)
United Association of Journeymen)
and Apprentices of the Plumbing)
and Pipefitting Industry of the)
United States and Canada)
Local 469; and)
)
United Association of Plumbers)
and Pipefitters Local 469 Federal)
Political Action Committee)
(Arizona Pipe Trades Fed. PAC))
and Aaron Butler in his official)
capacity as treasurer)

OFFICE OF GENERAL

MUR 7041

CONCILIATION AGREEMENT

This matter was generated by a complaint filed with the Federal Election Commission ("Commission"). See 52 U.S.C § 30109(a)(1). The Commission found reason to believe that the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada Local 469 ("Local 469") and United Association of Plumbers and Pipefitters Local 469 Federal Political Action Committee (Arizona Pipe Trades Fed PAC) and Aaron Butler in his official capacity as treasurer ("Local 469 Federal PAC") (collectively, "Respondents") violated 52 U.S.C § 30118(b)(3)(C) and 11 C.F.R. § 114.5(a)(2) and (4)-(5) through the use of a deficient payroll authorization form and 52 U.S.C. § 30118(b)(3)(A) and (C) and 11 C.F.R. § 114.5(a)(1)-(2), and (4) through the maintenance and publication of a noncontributors list in conjunction with verbal solicitations.

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C § 30109(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Local 469 is a labor organization affiliated with the United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada. Local 469 Federal PAC is a separate segregated fund ("SSF") of Local 469 and is currently registered with the Commission as a connected political committee.

2. The Federal Election Campaign Act of 1971, as amended (the "Act") prohibits a labor organization from making a contribution in connection with a federal election. 52 U.S.C § 30118(a); 11 C.F.R. § 114.2(b). Labor organizations are permitted to establish and solicit political contributions to an SSF. 52 U.S.C § 30118(b)(2)(C); 11 C.F.R. § 114.1(a)(2)(iii).

3. All contributions to an SSF must be voluntary and without coercion. See 52 U.S.C § 30118(b)(3)(A); 11 C.F.R. § 114.5(a).

4. The Act and the Commission's regulations make it unlawful for any person to solicit a contribution to an SSF from an employee without informing the employee of the political purpose of the SSF and of the right to refuse to contribute to the SSF without reprisal. 52 U.S.C § 30118(b)(3)(B)-(C); 11 C.F.R. § 114.5(a)(3)-(4)). Further, if a labor organization suggests an amount to be contributed, the solicitation must state that the guideline is merely a suggestion and that the individual is free to contribute more or less and that the organization will not favor or disadvantage anyone because of the amount of the contribution or a decision not to contribute.

1 11 C.F.R. § 114.5(a)(2). A solicitation may, in certain circumstances, be considered coercive if
2 proper notices are not given.

3 5. To fund its SSF, Local 469 uses a payroll deduction authorization ("check-off") form
4 that states:

5 So that the common interests of Local 469 members to secure jobs,
6 fair wages and safe working conditions can be heard by state and
7 federal politicians, I voluntarily authorize and direct the above-
8 named employer and any signatory to the Arizona Area Pipe
9 Trades Agreement for whom I work to deduct the suggested 0.75%
10 (.0075), as ratified by Local 469 membership, each week from my
11 pay for transfer to the Local 469 Political Action Committee.
12

13 6. Local 469's check-off form does not state that an individual has the right to refuse to
14 make a contribution and does not provide a member with notice that he or she is free to
15 contribute more or less than 0.75% without favor or disadvantage.

16 7. Additionally, Respondents maintain a list of members who do not contribute to its
17 political committees. Under the title, "PAC NON-CONTRIBUTORS," the list is posted in the
18 union hall adjacent to a second list of expelled union members. The list is on display during
19 monthly meetings of union members and during presentations on Local 469 Federal PAC
20 activity, including meetings where verbal solicitations for contributions are made. The
21 solicitations did not include notices that members had the right to refuse to contribute or, to the
22 extent that it discussed the 0.75% guideline included on the check-off form, that members were
23 free to contribute more or less without favor or disadvantage.

24 V. Respondents violated 52 U.S.C § 30118(b)(3)(C) and 11 C.F.R. § 114.5(a)(2) and (4)-
25 (5) through the use of a deficient payroll authorization form and 52 U.S.C. § 30118(b)(3)(A) and

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1 (C) and 11 C.F.R. § 114.5(a)(1)-(2), and (4) through the maintenance and publication of a
2 noncontributors list in conjunction with verbal solicitations.

3 VI. Respondent will take the following actions:

4 1. Respondents will pay a civil penalty to the Federal Election Commission in the
5 amount of Twenty-One Thousand Dollars (\$21,000.00), pursuant to 52 U.S.C. § 30109(a)(5)(A).

6 2. Respondents will cease and desist from violating 2 U.S.C. §§ 30118(b)(3)(A) and (C),
7 and 11 C.F.R. § 114.5(a)(1)-(2) and (4)-(5) by ceasing to publish the names of non-contributing
8 members in conjunction with solicitations for contributions to the Respondents' political
9 committees, by providing proper notice of the members' right to refuse to contribute without any
10 reprisal, and by informing members that any guidelines are merely suggestions, an individual is
11 free to contribute more or less than the guideline, and that the labor organization will not favor or
12 disadvantage anyone by reason of the amount of their contribution or their decision not to
13 contribute. Such notices will be provided in any and all solicitations for contributions whether
14 written or oral, at the time of solicitation.

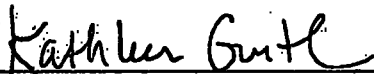
15 VII. The Commission, on request of anyone filing a complaint under 52 U.S.C.
16 § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review
17 compliance with this agreement. If the Commission believes that this agreement or any
18 requirement thereof has been violated, it may institute a civil action for relief in the United States
19 District Court for the District of Columbia.

20 VIII. This agreement shall become effective as of the date that all parties hereto have
21 executed same and the Commission has approved the entire agreement.

22 IX. Except as otherwise provided, Respondents shall have no more than 30 days from the
23 date this agreement becomes effective to comply with and implement the requirements contained
24 in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and the amount specified in Paragraph VI.1. constitutes the entirety of the monetary payments necessary to satisfy this agreement. No other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

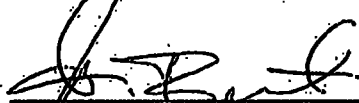


Kathleen Guith
Associate General Counsel
For Enforcement

10-5-17

Date

FOR THE RESPONDENTS:



Aaron Butler
Treasurer,
Arizona Pipe Trades Local 469

4/27/17

Date

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